

**REMARKS**

In the above-identified Office Action, the Examiner has objected to claims 31, 32, 41, 42, 46 and 47 as being in improper form. Applicants have amended these claims so that they are now in proper form and accordingly this objection is considered obviated.

Claims 26 and 36 have been objected to as unpatentable over Deaton et al. in view of Resnick et al. and further in view of Hoffberg et al. Deaton refers to a program that permits a manufacturer to respond to a market condition while providing incentives to customers on a real-time basis. Resnick teaches a method by which payments are received at a merchant point of sale. As stated in Resnick, the customer described therein is the provider of goods and services (column 4, lines 11-13). Thus, the merchant would swipe the card, key in a dollar amount and initiate an authorization request (column 4, lines 41-46). Thus, neither Resnick nor Deaton teaches the use of the program disclosed therein by the consumer, but rather by the merchant.

As stated by the Examiner, Hoffberg teaches a method and system wherein financial information transmitted over the network is encrypted prior to the presentation to the user. Hoffberg does not envision nor is there a suggestion that his system be utilized in an incentive program for use in the retail context.

Applicant has amended its claims so that they now recite that the system is for use by a consumer and the consumer is involved in all of the actions. As stated above it is not suggested by Resnick nor Deaton, which teaches that the merchant is involved in the necessary steps. Thus, Applicants, by this invention, eliminate the necessity of a merchant to be involved in the transaction so that the stand-alone vending machines of the subject invention are all that is required to effectuate the invention.

Further, as stated above, there is no suggestion that Hoffberg's programmable system be utilized in an incentive program in the retail context and accordingly, cannot be combined with Deaton's or Resnick's incentive programs in an obvious manner. Hoffberg expressly states that applications of his invention may be a VCR, medical device, vehicle control system, audio device, environmental system, securities trading terminal and smart house. There is no suggestion of its use in a retail incentive context. Accordingly, the combination with Resnick and Deaton cannot be made.

Applicants hereby request reconsideration and re-examination thereof.

With the above amendments and the remarks, this application is considered ready for allowance, and Applicants earnestly solicit an early notice of same. If the Examiner believes that a telephone conference would expedite prosecution of the subject application, he is respectfully requested to call the undersigned attorney at the telephone number listed below

Respectfully submitted,



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